

FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

Apr 09, 2025

SEAN F. MCAVOY, CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

In re: GIGA WATT INC.,
Debtor.

No. 2:25-CV-00076-SAB

JUN DAM,

Appellant,

v.

MARK D. WALDRON, Trustee,

Appellee.

ORDER OF DISMISSAL

Before the Court is Appellee's Motion to Dismiss Appeal for Lack of Appellate Standing, ECF No. 3. Appellant is pro se. Appellee is represented by Pamela Egan. The motion was heard without oral argument.

BACKGROUND

The Giga Watt Project was formed to build and run a large-scale cryptocurrency mining operation. As part of the project, Giga Watt sold so-called "WTT Tokens" that entitled a token purchaser to use electricity generated by the Giga Watt facility to mine and generate cryptocurrency. The sales proceeds from the WTT Tokens totaled more than \$22 million, which was held by Perkins Coie LLP ("Perkins") in an escrow account. After the initial sale of tokens was complete, Perkins provided refunds to some purchasers, paying them from the escrow fund. Perkins subsequently transferred \$21.6 million to Giga Watt entities, and by February 22, 2018, the escrow account was depleted.

ORDER OF DISMISSAL #1

1 Giga Watt filed for Chapter 11 bankruptcy on November 19, 2018, in the
2 Eastern District of Washington (“the Bankruptcy Case”). Appellee Mark D.
3 Waldron (“Trustee Waldron”) was appointed as the Chapter 11 Trustee on January
4 24, 2019. On November 30, 2020, Trustee Waldron commenced an adversary
5 proceeding (the “Adversary Proceeding”) against Perkins alleging that Perkins’s
6 disbursement of the escrow funds violated a fiduciary duty that resulted in Giga
7 Watt’s collapse. On December 15, 2020, the Bankruptcy Court entered an order
8 approving the employment of Potomac Law Group (“PLG”) as special litigation
9 counsel in the Adversary Proceeding.

10 On December 16, 2020, Appellant Jun Dam (“Dam”) filed a class action
11 lawsuit in this Court (the “Class Action Suit”). The class members consisted of
12 individuals who had purchased WTT Tokens.

13 PLG ultimately reached an agreement to settle both the Adversary
14 Proceeding and the Class Action Suit (the “Settlement Agreement”), wherein
15 Perkins agreed to pay \$3 million to the bankruptcy estate and \$4.5 million to the
16 class members. On October 4, 2023, the Bankruptcy Court approved the
17 Settlement Agreement. On February 2, 2024, this Court entered a preliminary
18 approval of the Settlement Agreement. The class members were allowed to object
19 or opt-out, but none did, and this Court then entered final approval of the
20 Settlement Agreement on May 23, 2024.

21 The Settlement Agreement defines a “Released Claim” as “any and all
22 actions, claims, demands, rights, suits, and causes of action of whatever kind or
23 nature against the Released Parties” It further defines “Released Parties” as
24 the bankruptcy estate, Trustee Waldron, and “agents and attorneys” of the
25 bankruptcy estate. Finally, it defines a “Releasing Party” as “Plaintiff and each and
26 every Class Member.” Under the Settlement Agreement’s release clause, each
27 Releasing Party was deemed to have waived any Released Claim against any
28 Released Party.

1 On October 2, 2024, Trustee Waldron filed three omnibus objections to 283
2 claims that had been made against the bankruptcy estate, arguing that the claims
3 should be disallowed and expunged from the Bankruptcy Court’s claims register
4 because they had been released under the Settlement Agreement. Although Trustee
5 Waldron did not object to Dam’s claim, on January 7, 2025, the Bankruptcy Court
6 granted Dam’s motion to intervene. Specifically, the Bankruptcy Court reviewed
7 Dam’s filings related to the omnibus objections and allowed him to present oral
8 argument on January 22, 2025.

9 On January 30, 2025, the Bankruptcy Court granted Trustee Waldron’s
10 omnibus objections (the “Order”). However, the Order did not disallow or expunge
11 Dam’s claim, and it still remains on the claims register in the Bankruptcy Court.

12 On February 18, 2025, Dam filed a motion for reconsideration of the Order,
13 which the Bankruptcy Court denied on February 21, 2025.

14 On March 6, 2025, Dam filed a Notice of Appeal in the U.S. District Court
15 for the Eastern District of Washington in case No. 2:25-cv-00076-SAB, seeking to
16 overturn the Order. On March 17, 2025, Appellee filed this Motion, asking this
17 Court to deny Dam’s appeal for lack of appellate standing.

18 MOTION STANDARD

19 To appeal a bankruptcy court order, the appellant bears the burden of
20 demonstrating both (1) Article III standing and (2) that it is “aggrieved” by the
21 order it seeks to appeal. *Matter of E. Coast Foods, Inc.*, 80 F.4th 901, 905–06 (9th
22 Cir. 2023), *cert. denied sub nom. Clifton Cap. Grp., LLC v. Sharp*, 144 S. Ct. 1064
23 (2024).

24 To establish Article III standing, an appellant must show (1) it has suffered
25 an “injury in fact” (*i.e.*, concrete, particularized, and actual or imminent), (2) the
26 injury can be fairly traced to the appellee’s conduct, and (3) the injury can be
27 redressed by a favorable order from the appellate court. *Id.* at 906. *Lujan v. Defs. of*
28 *Wildlife*, 504 U.S. 555, 560–61 (1992).

1 To demonstrate it is aggrieved by a bankruptcy court order, an appellant
2 must show that the order (1) diminishes the appellant's property, (2) increases the
3 appellant's burdens, or (3) detrimentally affects the appellant's rights. *In re*
4 *P.R.T.C., Inc.*, 177 F.3d 774, 777 (9th Cir. 1999).

5 ANALYSIS

6 In this matter, Dam lacks standing because he can demonstrate neither
7 Article III standing nor that he has been aggrieved by the Order.

8 With regard to Article III standing, Dam cannot identify an injury in fact that
9 this Court could redress. The Order did not apply to his claim, so there is no injury,
10 and reversing the Order would only provide redress to the individuals whose
11 claims were disallowed and expunged from the claims register.

12 With regard to whether Dam is aggrieved by the Order, it did not disallow or
13 expunge his claim from the Bankruptcy Court's claims register. Therefore,
14 although the Order indicates that the same logic would apply to Dam's claim, his
15 claim has not yet been addressed and Dam has not suffered from diminished
16 property, increased burdens, or detrimental effects on his rights as a result of the
17 Order. As Appellee points out, should Trustee Waldron object to Dam's claim in
18 the future, he will have full opportunity to address whatever decision the
19 Bankruptcy Court makes.

20 In light of these considerations, Dam does not have standing to appeal the
21 Bankruptcy Court's decision, and Appellee's Motion to Dismiss is **granted**.

22 Accordingly, **IT IS HEREBY ORDERED:**

23 1. Appellee's Motion to Dismiss Appeal for Lack of Appellate Standing,
24 ECF No. 3, is **GRANTED**.

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1 2. Appellant's Motion for Leave to File a Late Response to Trustee's
2 Motion to Dismiss, ECF No. 5, is **DISMISSED AS MOOT**.

3 **IT IS SO ORDERED.** The Clerk of Court is directed to enter this Order,
4 provide copies to pro se Plaintiff and appellee counsel, and **close** the file.

5 **DATED** this 9th day of April 2025.



10 *Stanley A. Bastian*

11 Stanley A. Bastian
12 Chief United States District Judge
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